

EMAKHAZENI LOCAL MUNICIPALITY

ADJUSTMENT BUDGET

2014/2015

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REPORT ON THE ADJUSTMENTS TO THE BUDGET FOR THE FINANCIAL YEAR 2014/2015

REPORT OF THE CHIEF FINANCIAL OFFICER

PURPOSE

To submit to Council the Adjustment Budget for the financial year for consideration. See Annexure

BACKGROUND

Section 28(1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, provides for the revision of an approved annual budget through an adjustment budget.

In terms of Section 28(2) "adjustment budget-

- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available over and above those anticipated in annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilization of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of past financial year where the spending could not reasonably have foreseen at the time to include projected roll-over when the annual for the current year was approved;
- (f) may correct any errors in the annual budget, and;
- (g) may provide for any other expenditure with a prescribed framework.

Furthermore section 29(1) and (2) prescribes for unforeseen and unavoidable expenditure as follows:

- 1) The mayor of a municipality may in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.
- 2) Any such expenditure-
 - (a) must be in accordance with any framework that may be prescribed;
 - (b) may not exceed a prescribed percentage of the approved annual budget;
 - (c) must be reported by the mayor to the municipal council at its next meeting; and
 - (d) must be appropriated in an adjustment budget.

Accordingly the report is prepared taking into consideration the sections above as well as the mid-year budget and performance assessment report that was tabled to Council in January 2014.

As per the MFMA Key deadlines time table the adjustment budget should be considered and approved by council by no later than 28 February each year.

DISCUSSIONS ON BUDGET ADJUSTMENT

The reported budget variance performance in the mid-year budget and performance assessment report amounted to 55 % for revenue and 28 % for expenditure. Although this trend may seem satisfactory, whereby the expenditure does not exceed the revenue, it should be noted that expenditure from prior period(creditors) is not yet services which leads to be a burden for the municipality.

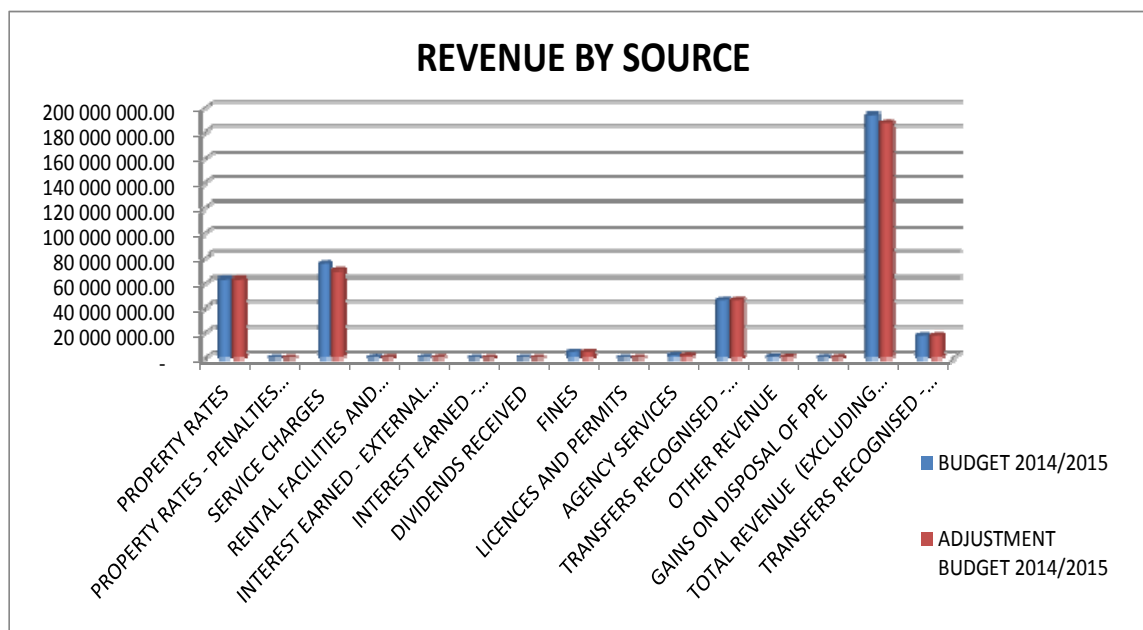
Emakhazeni is currently (financial year 2014 2015) is paying creditors to the value of +- R 39 million. Therefore paying creditors, it minimize the cash available for new expenditure (FY 2014 2015 budget expenditure) which then result in non achievement of the budget. Therefore the adjustment budget considerations were done in the aim to prioritize expenditure and ensure realisticness of revenue.

1. Revenue Adjustment per source:

DESCRIPTION	AUDIT OUTCOME 2011/2012	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	BUDGET 2014/2015	ADJUSTMENT BUDGET 2014/2015	BUDGET FORECAST 2015/2016	BUDGET FORECAST 2016/2017
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REVENUE BY SOURCE

PROPERTY RATES	-20 438 543.25	-31 358 480.12	-54 522 901.15	-63 123 778.00	-63 123 778.00	-66 911 205.00	-70 925 877.00
PROPERTY RATES - PENALTIES & COLLECTION CHARGES	-	-	-	-	-	-	-
SERVICE CHARGES	-55 030 971.61	-64 057 587.51	-64 938 341.50	-75 076 596.00	-69 176 596.00	-80 197 547.00	-85 671 302.00
RENTAL FACILITIES AND EQUIPMENT	-769 739.63	-529 314.94	-435 339.68	-443 861.00	-418 461.00	-470 493.00	-498 723.00
INTEREST EARNED - EXTERNAL INVESTMENTS	-104 459.03	-463 559.12	-218 287.19	-216 240.00	-264 000.00	-220 565.00	-224 976.00
INTEREST EARNED - OUTSTANDING DEBTORS	-	-	-	-	-	-	-
DIVIDENDS RECEIVED	-	-	-	-	-	-	-
FINES	-5 142 058.26	-5 483 025.88	-9 206 920.58	-5 401 225.00	-5 250 200.00	-5 509 299.00	-5 619 537.00
LICENCES AND PERMITS	-36 645.45	-32 019.63	-23 172.39	-32 535.00	-6 600.00	-34 487.00	-36 556.00
AGENCY SERVICES	-2 405 825.12	-2 567 591.52	-2 794 432.55	-2 384 080.00	-2 010 284.00	-2 431 762.00	-2 480 397.00
TRANSFERS RECOGNISED - OPERATIONAL	-34 350 056.09	-38 880 695.02	-41 975 000.00	-46 402 333.00	-46 402 333.00	-51 286 000.00	-54 684 000.00
OTHER REVENUE	-5 059 823.67	-24 847 415.08	-14 978 913.26	-1 070 250.00	-771 084.00	-1 133 776.00	-1 201 303.00
GAINS ON DISPOSAL OF PPE	-	-	-14 166.67	-204 000.00	-204 000.00	-208 080.00	-212 242.00
TOTAL REVENUE (EXCLUDING CAPITAL SOURCE AND REVENUE FORGONE)	-123 338 122.11	-168 219 688.82	-189 107 474.97	-194 354 898.00	-187 627 336.00	-208 403 214.00	-221 554 913.00
REVENUE FORGONE	2 149 353.01	1 883 407.91	2 376 326.76	2 588 520.00	2 588 520.00	2 743 831.00	2 908 461.00
TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	-121 188 769.10	-166 336 280.91	-186 731 148.21	-191 766 378.00	-185 038 816.00	-205 659 383.00	-218 646 452.00
TRANSFERS RECOGNISED - CAPITAL	-8 515 157.96	-15 336 141.05	-13 322 000.00	-17 232 000.00	-17 232 000.00	-22 888 000.00	-23 509 000.00
TOTAL REVENUE	-129 703 927.06	-181 672 421.96	-200 053 148.21	-208 998 378.00	-202 270 816.00	-228 547 383.00	-242 155 452.00



1.1 Property Rates

No adjustment has been made in terms of the service charges as the current monthly billing for service charges is constant.

1.2 Service Charges

Adjustments has been made to services charges based on Mid-year budget report, whereby electricity and water billing did not realised the required benchmarks.

1.3 Rental Facilities and Equipment

The adjustment to Rental Facilities and Equipment decreased very little to make the budget more realistic with relation to Rental of facilities and equipment.

1.4 Interest Earned

In the first half of 2014/2015 Emakhazeni was able to invest some money in the short term investments which yielded a positive return more than anticipated, therefore the budget was adjusted to accommodate these earnings.

1.5 Fines

No adjustments have been made in terms of the fines as the benchmark was reached within the Mid-year budget performance report.

1.6 Licenses and Permits

Adjustments were required to be done for Licenses and permits as this revenue source were extremely lower than anticipated and for the next half of the financial year it is not foreseen that this target is reachable.

1.7 Agency Services

Adjustments were required for Agency Services due to the fact that two illegal employee strikes with in the first half of the financial year 2014/2015 resulted that offices were closed and no services were rendered for the Licensing Department in that period, which result in the decrease adjustment to the budget.

1.8 Transfers Recognised (Grants) – Operating

No adjustments have been made in terms of the Transfers(operating) as all transfers have been received as tabled in DORA.

1.9 Other Revenue

The adjustment to Other Revenue has been made which consist of numerous votes and each vote has been individually assessed. Therefore look at trend analysis and current plans in place the original adjustment budget has been decreased.

1.10 Gains on Disposal of PPE

No adjustments have been made in terms of the fines as the benchmark was reached within the Mid-year budget performance report.

1.11 Transfers Recognised (Grants) – Capital

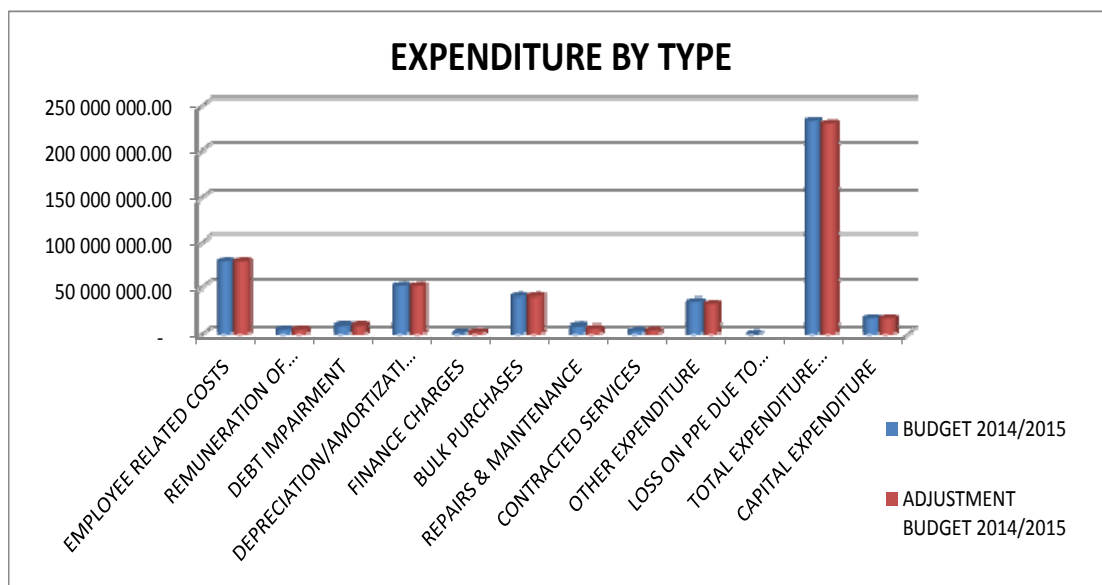
No adjustment has been made in terms of Transfers Recognised (Grants) as all transfers are expected to be received for the 2014/2015 financial year.

The following table represents the summary approved annual budget and the amendments for the adjustment budget.

DESCRIPTION	BUDGET 2014/2015		ADJUSTMENT BUDGET 2014/2015	
	Budget Revenue	%	Budget Revenue	%
PROPERTY RATES	-63 123 778.00	30%	-63 123 778.00	31%
PROPERTY RATES - PENALTIES & COLLECTION CHARGE	-	0%	-	0%
SERVICE CHARGES	-75 076 596.00	36%	-69 176 596.00	34%
REFUSE REMOVAL SERVICES	-8 487 064.00	4%	-8 487 064.00	4%
SEWERAGE SERVICES	-8 273 187.00	4%	-8 273 187.00	4%
PREPAID ELECTRICITY	-20 862 802.00	10%	-20 862 802.00	10%
SALE OF ELECTRICITY	-17 925 539.00	9%	-12 925 539.00	6%
BASIC ELECTRICITY	-5 553 763.00	3%	-5 553 763.00	3%
FREE BASIC SERVICES 2	-	0%	-	0%
SALE OF WATER	-6 914 893.00	3%	-6 014 893.00	3%
BASIC WATER	-7 059 348.00	3%	-7 059 348.00	3%
RENTAL FACILITIES AND EQUIPMENT	-443 861.00	0%	-418 461.00	0%
INTEREST EARNED - EXTERNAL INVESTMENTS	-216 240.00	0%	-264 000.00	0%
INTEREST EARNED - OUTSTANDING DEBTORS	-	0%	-	0%
DIVIDENDS RECEIVED	-	0%	-	0%
FINES	-5 401 225.00	3%	-5 250 200.00	3%
LICENCES AND PERMITS	-32 535.00	0%	-6 600.00	0%
AGENCY SERVICES	-2 384 080.00	1%	-2 010 284.00	1%
TRANSFERS RECOGNISED - OPERATIONAL	-46 402 333.00	22%	-46 402 333.00	23%
EQUITABLE SHARE	-39 515 000.00	19%	-39 515 000.00	20%
EQUIT SHARE (COUNCIL SALARY)	-2 285 000.00	1%	-2 285 000.00	1%
EQUITABLE SHARE (WARD COMMITTEE)	-480 000.00	0%	-480 000.00	0%
GRANT: MSIG (INCOME)	-934 000.00	0%	-934 000.00	0%
GRANT: FINANCIAL MANAGEMENT	-1 800 000.00	1%	-1 800 000.00	1%
EPWP INCENTIVE GRANT	-1 235 000.00	1%	-1 235 000.00	1%
EPWP INCENTIVE GRANT	-	0%	-	0%
GRANT: INEP (MUNICIPAL)	-	0%	-	0%
GRANT: DCSR LIBRARIES	-	0%	-	0%
LGSETA INTERNSHIP SUBSIDY	-153 333.00	0%	-153 333.00	0%
OTHER REVENUE	-1 070 250.00	1%	-771 084.00	0%
GAINS ON DISPOSAL OF PPE	-204 000.00	0%	-204 000.00	0%
TOTAL REVENUE (EXCLUDING CAPITAL SOURCE AND REVENUE FORGONE)	-194 354 898.00	93%	-187 627 336.00	93%
REVENUE FORGONE	2 588 520.00	-1%	2 588 520.00	-1%
TOTAL OPERATING REVENUE (EXCLUDING CAPITAL SOURCE)	-191 766 378.00	92%	-185 038 816.00	91%
TRANSFERS RECOGNISED - CAPITAL	-17 232 000.00	8%	-17 232 000.00	9%
GRANT: MIG	-17 232 000.00	8%	-17 232 000.00	9%
GRANT: MIG PROSPECTIVELY	-	0%	-	0%
GRANT INEP (MUNICIPAL)	-	0%	-	0%
TOTAL REVENUE	-208 998 378.00	100%	-202 270 816.00	100%

2. Expenditure Adjustment per type:

DESCRIPTION	AUDIT OUTCOME 2011/2012	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	BUDGET 2014/2015	ADJUSTMENT BUDGET 2014/2015	BUDGET FORECAST 2015/2016	BUDGET FORECAST 2016/2017
EXPENDITURE BY TYPE							
EMPLOYEE RELATED COSTS	50 213 154.91	58 421 438.21	59 445 374.96	78 916 214.00	78 916 214.00	83 999 284.00	89 582 397.00
REMUNERATION OF COUNCILLORS	4 256 472.61	4 484 763.94	4 787 535.96	5 108 645.00	5 108 645.00	5 415 162.00	5 740 071.00
DEBT IMPAIRMENT	8 110 426.12	-8 742 326.54	31 225 458.50	9 190 200.00	9 190 200.00	9 741 612.00	10 326 109.00
DEPRECIATION/AMORTIZATION & ASSET IMPAIRMENT	48 036 809.37	45 060 185.88	49 319 511.19	50 979 600.00	50 979 600.00	51 999 192.00	53 039 176.00
FINANCE CHARGES	1 061 204.16	1 256 343.11	2 161 754.42	1 537 000.00	1 937 000.00	1 629 220.00	1 726 973.00
BULK PURCHASES	29 844 270.08	29 280 761.89	34 256 229.16	40 769 696.00	40 769 696.00	44 055 733.00	47 606 625.00
REPAIRS & MAINTENANCE	5 706 128.04	24 839 510.90	5 372 458.60	8 285 578.00	6 135 355.00	8 441 788.00	8 601 123.00
CONTRACTED SERVICES	2 150 475.51	2 701 958.55	3 548 460.09	3 473 604.00	4 173 604.00	3 543 076.00	3 613 937.00
OTHER EXPENDITURE	31 834 032.47	30 789 331.44	30 871 110.76	35 062 937.00	32 605 398.00	34 093 097.00	34 464 231.00
LOSS ON PPE DUE TO IMPAIRMENT OR DISPOSAL	-	-	14 756.23	-	-	-	-
TOTAL EXPENDITURE (EXCLUDING CAPITAL)	181 212 973.27	188 091 967.38	221 002 649.87	233 323 474.00	229 815 712.00	242 918 164.00	254 700 642.00
DEFICIT / (SURPLUS) OPERATING	51 509 046.21	6 419 545.42	20 949 501.66	24 325 096.00	27 544 896.00	14 370 781.00	12 545 190.00
CAPITAL EXPENDITURE	527 032.89	265 391.74	-	17 267 400.00	17 071 600.00	22 944 420.00	23 591 420.00
TOTAL EXPENDITURE	181 740 006.16	188 357 359.12	221 002 649.87	250 590 874.00	246 887 312.00	265 862 584.00	278 292 062.00
DEFICIT / (SURPLUS)	52 036 079.10	6 684 937.16	20 949 501.66	41 592 496.00	44 616 496.00	37 315 201.00	36 136 610.00



2.1 Employee related costs

No adjustment has been made in terms of Employee related costs as the original budget seems in line with the anticipated expenditure that will be incurred.

2.2 Remuneration of Councillors

No adjustment has been made in terms of Remuneration of Councillors as the original budget seems in line with the anticipated expenditure that will be incurred.

2.3 Debt Impairment

No adjustment has been made in terms of Debt Impairment as the original budget seems in line with the anticipated expenditure that will be incurred.

2.4 Depreciation/Amortization

Adjustment has been made in terms of Depreciation/Amortization as the original budget only made provision of tangible items and not intangible items and therefore adjustments were made to provide budget for amortization.

2.5 Finance Charges

Emakhazeni is experiencing extreme cash flow constraints which leads to interest being paid to creditors. It is therefore that the adjustment has been made to original budget for the anticipated interest that will be incurred.

2.6 Bulk Purchases

No adjustment has been made in terms of Bulk Purchases as the original budget seems in line with the anticipated expenditure that will be incurred.

2.7 Repairs & Maintenance

Emakhazeni is experiencing extreme cash flow constraints which leads to minimization of expenditure. Therefore it led to the original budget to decrease to be in line with the anticipated expenditure to be incurred.

2.8 Contracted Services

The adjustment to Contracted Services has been made due to the fact that the municipality entered into a new contract for a new service provider which resulted that the original budget not to be adequate and adjustments whereby the budget was increased.

2.9 Other Expenditure

Emakhazeni is experiencing extreme cash flow constraints which leads to the municipality to put extreme pressure on minimization of expenditure.

Therefore the other expenditure has been reviewed individually and below are a few of adjustments done:

- The revenue enhancement cost to decrease with R 900,000.00
- The rental cost for vehicles to decrease with R 50,000.00
- The community participation cost to decrease with R 100,000.00
- The legal fees to increase with R 300,000.00
- The computer data line to increase with R 400,000.00

2.10 Loss on PPE due to impairment or disposal

No adjustment has been made in terms of Loss on PPE as the original budget seems in line with the anticipated expenditure that will be incurred.

2.11 Capital Expenditure

- Internal capital
Emakhazeni is experiencing extreme cash flow constraints which leads to the municipality to put extreme pressure on minimization of expenditure. Therefore the original budget has been decrease.
- Grant capital (MIG)
No adjustment has been made in terms of Transfers Recognised (Grants) - Capital as the budget is in respect of the gazette DORA.

Summary:

DESCRIPTION	AUDIT OUTCOME 2011/2012	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	BUDGET 2014/2015	ADJUSTMENT BUDGET 2014/2015	BUDGET FORECAST 2015/2016	BUDGET FORECAST 2016/2017
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REVENUE BY SOURCE

PROPERTY RATES	-20 438 543.25	-31 358 480.12	-54 522 901.15	-63 123 778.00	-63 123 778.00	-66 911 205.00	-70 925 877.00
PROPERTY RATES - PENALTIES & COLLECTION CHARGE	-	-	-	-	-	-	-
SERVICE CHARGES	-55 030 971.61	-64 057 587.51	-64 938 341.50	-75 076 596.00	-69 176 596.00	-80 197 547.00	-85 671 302.00
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DIVIDENDS RECEIVED	-	-	-	-	-	-	-
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TRANSFERS RECOGNISED - OPERATIONAL	-34 350 056.09	-38 880 695.02	-41 975 000.00	-46 402 333.00	-46 402 333.00	-51 286 000.00	-54 684 000.00
OTHER REVENUE	-5 059 823.67	-24 847 415.08	-14 978 913.26	-1 070 250.00	-771 084.00	-1 133 776.00	-1 201 303.00
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TOTAL REVENUE	-129 703 927.06	-181 672 421.96	-200 053 148.21	-208 998 378.00	-202 270 816.00	-228 547 383.00	-242 155 452.00

DESCRIPTION	AUDIT OUTCOME 2011/2012	AUDIT OUTCOME 2012/2013	AUDIT OUTCOME 2013/2014	BUDGET 2014/2015	ADJUSTMENT BUDGET 2014/2015	BUDGET FORECAST 2015/2016	BUDGET FORECAST 2016/2017
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EXPENDITURE BY TYPE

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DEPRECIATION/AMORTIZATION & ASSET IMPAIRMENT	48 036 809.37	45 060 185.88	49 319 511.19	50 979 600.00	50 979 600.00	51 999 192.00	53 039 176.00
FINANCE CHARGES	1 061 204.16	1 256 343.11	2 161 754.42	1 537 000.00	1 937 000.00	1 629 220.00	1 726 973.00
BULK PURCHASES	29 844 270.08	29 280 761.89	34 256 229.16	40 769 696.00	40 769 696.00	44 055 733.00	47 606 625.00
REPAIRS & MAINTENANCE	5 706 128.04	24 839 510.90	5 372 458.60	8 285 578.00	6 135 355.00	8 441 788.00	8 601 123.00
CONTRACTED SERVICES	2 150 475.51	2 701 958.55	3 548 460.09	3 473 604.00	4 173 604.00	3 543 076.00	3 613 937.00
OTHER EXPENDITURE	31 834 032.47	30 789 331.44	30 871 110.76	35 062 937.00	32 605 398.00	34 093 097.00	34 464 231.00
LOSS ON PPE DUE TO IMPAIRMENT OR DISPOSAL	-	-	14 756.23	-	-	-	-
TOTAL EXPENDITURE (EXCLUDING CAPITAL)	181 212 973.27	188 091 967.38	221 002 649.87	233 323 474.00	229 815 712.00	242 918 164.00	254 700 642.00
DEFICIT / (SURPLUS) OPERATING	51 509 046.21	6 419 545.42	20 949 501.66	24 325 096.00	27 544 896.00	14 370 781.00	12 545 190.00
CAPITAL EXPENDITURE	527 032.89	265 391.74	-	17 267 400.00	17 071 600.00	22 944 420.00	23 591 420.00
TOTAL EXPENDITURE	181 740 006.16	188 357 359.12	221 002 649.87	250 590 874.00	246 887 312.00	265 862 584.00	278 292 062.00
DEFICIT / (SURPLUS)	52 036 079.10	6 684 937.16	20 949 501.66	41 592 496.00	44 616 496.00	37 315 201.00	36 136 610.00

It is important to note that the average payment level very low due to the illegal employee strikes and resulted in a shortfall of revenue collected, which has been budgeted to the municipality's operations. Therefore tight measures need to be put in place to achieve the anticipated revenue.

Emakhazeni is still experiencing severe cash flow constrains which will require the municipality to continue to put extreme pressure on minimization of expenditure.

Due to accrual accounting the municipality is not in a favorable position to fund the non cash item in full and therefore the non cash items leads to a deficit in the budget.

These contribution non-cash items are:

- Depreciation/Amortization
- Rehabilitation of Landfill site
- Leave pay provision

- Long service awards
- Actuarial loss for employee benefits
- Medical retirement benefit

RECOMMENDATIONS BY CHIEF FINANCIAL OFFICER

1. **That;** the Committee note the changes made to the approved annual budget.
2. **That;** only critical vacant posts should filled during the next 6 months
3. **That;** the committee considers the adjustment budget in terms of section 28 and 29 of the MFMA and Budget and Reporting Regulation.
4. **That,** the SDBIPS be reviewed to be aligned to the adjustment budget.
5. **That,** the SDBIPS which were aligned with the adjustment budget be approved.
6. **That,** the Municipal Manager submits the approved adjustment budget to National Treasury.
7. **That;** the Adjusted Medium Term Revenue and Expenditure Framework for 2014/15 – 2016/17 be approved with all budget tables; B1 to B10 Framework for 2014/15 – 2016/17

RECOMMENDATIONS BY MUNICIPAL MANAGER

1. **That;** the recommendations of the Chief Financial Officer be accepted.

EMAKHAZENI LOCAL MUNICIPALITY

EXTRACT FROM THE MINUTES OF THE GENERAL COUNCIL MEETING HELD ON THE 29 JANUARY 2015 IN THE COUNCIL CHAMBER AT 17:30

24/01/2015 REPORT ON THE ADJUSTMENTS TO THE BUDGET FOR THE FINANCIAL YEAR 2014/2015

Resolved that;

1. The changes made to the approved annual budget are noted.
2. Only critical vacant posts should be filled during the next 6 months
3. The adjustment budget for 2014/2015 financial year is considered in terms of section 28 and 29 of the MFMA and Budget and Reporting Regulation.
4. The Service Delivery and Budget Implementation Plans for 2014/2015 financial year be reviewed and aligned to the adjustment budget.
5. The Municipal Manager should submit the approved adjustment budget to National and Provincial Treasury.
6. The Adjusted Medium Term Revenue and Expenditure Framework for 2014/2015 – 2016/17 is approved with all budget tables; B1 to B10 Framework for 2014/2015 – 2016/2017.

CERTIFIED CORRECT.

Dambula

SPEAKER

DATE.....



Description	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	62,157	-	-	-	-	-	-	-	62,157	65,886	69,840
Service charges	73,455	-	-	-	-	-	(5,900)	(5,900)	67,555	78,478	83,849
Investment revenue	216	-	-	-	-	-	48	48	264	221	225
Transfers recognised - operational	46,402	-	-	-	-	-	-	-	46,402	51,286	54,684
Other own revenue	9,536	-	-	-	-	-	(875)	(875)	8,661	9,788	10,049
Total Revenue (excluding capital transfers and contributions)	191,766	-	-	-	-	-	(6,728)	(6,728)	185,039	205,659	218,646
Employee costs	78,916	-	-	-	-	-	-	-	78,916	83,999	89,582
Remuneration of councillors	5,109	-	-	-	-	-	-	-	5,109	5,415	5,740
Depreciation & asset impairment	50,980	-	-	-	-	-	-	-	50,980	51,999	53,039
Finance charges	1,537	-	-	-	-	-	400	400	1,937	1,629	1,727
Materials and bulk purchases	51,055	-	-	-	-	-	(4,150)	(4,150)	46,905	52,498	56,208
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	45,727	-	-	-	-	-	242	242	45,969	47,378	48,404
Total Expenditure	233,323	-	-	-	-	-	(3,508)	(3,508)	229,816	242,918	254,701
Surplus/(Deficit)	(41,557)	-	-	-	-	-	(3,220)	(3,220)	(44,777)	(37,259)	(36,054)
Transfers recognised - capital	17,232	-	-	-	-	-	-	-	17,232	22,888	23,509
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)
Capital expenditure & funds sources											
Capital expenditure	17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
Transfers recognised - capital	16,370	-	-	-	-	-	-	-	16,370	21,994	22,584
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	897	-	-	-	-	-	(196)	(196)	701	951	1,008
Total sources of capital funds	17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
Financial position											
Total current assets	61,306	-	-	-	-	-	-	-	61,306	73,985	67,022
Total non current assets	514,340	-	-	-	-	-	-	-	514,340	536,042	562,132
Total current liabilities	36,554	-	-	-	-	-	-	-	36,554	33,612	31,100
Total non current liabilities	45,094	-	-	-	-	-	-	-	45,094	47,701	67,635
Community wealth/Equity	493,998	-	-	-	-	-	-	-	493,998	528,714	530,419
Cash flows											
Net cash from (used) operating	35,641	-	-	-	-	-	(3,220)	(3,220)	32,421	47,162	50,608
Net cash from (used) investing	(17,063)	-	-	-	-	-	-	-	(17,063)	(22,736)	(23,379)
Net cash from (used) financing	(62)	-	-	-	-	-	-	-	(62)	58	(12)
Cash/cash equivalents at the year end	18,515	-	- </								

MP314 Emakhazeni - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		125,340	-	-	-	-	-	42	42	125,383	135,883	143,895
Executive and council		62,331	-	-	-	-	-	-	-	62,331	69,264	73,288
Budget and treasury office		62,856	-	-	-	-	-	42	42	62,898	66,619	70,607
Corporate services		153	-	-	-	-	-	-	-	153	-	-
<i>Community and public safety</i>		169	-	-	-	-	-	(35)	(35)	134	179	189
Community and social services		68	-	-	-	-	-	19	19	87	72	76
Sport and recreation		96	-	-	-	-	-	(49)	(49)	47	102	108
Public safety		5	-	-	-	-	-	(5)	(5)	-	5	5
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,419	-	-	-	-	-	(555)	(555)	8,864	8,356	8,531
Planning and development		1,601	-	-	-	-	-	-	-	1,601	380	395
Road transport		7,818	-	-	-	-	-	(555)	(555)	7,263	7,975	8,136
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		74,070	-	-	-	-	-	(6,181)	(6,181)	67,890	84,131	89,540
Electricity		44,900	-	-	-	-	-	(5,261)	(5,261)	39,639	53,209	56,764
Water		12,380	-	-	-	-	-	(906)	(906)	11,475	13,123	13,910
Waste water management		8,304	-	-	-	-	-	(14)	(14)	8,289	8,802	9,330
Waste management		8,487	-	-	-	-	-	-	-	8,487	8,996	9,536
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	208,998	-	-	-	-	-	(6,728)	(6,728)	202,271	228,547	242,155
Expenditure - Standard												
<i>Governance and administration</i>		119,815	-	-	-	-	-	(1,103)	(1,103)	118,712	124,098	128,843
Executive and council		35,457	-	-	-	-	-	294	294	35,751	37,290	39,317
Budget and treasury office		73,606	-	-	-	-	-	(1,314)	(1,314)	72,292	75,629	77,729
Corporate services		10,752	-	-	-	-	-	(83)	(83)	10,669	11,180	11,798
<i>Community and public safety</i>		9,430	-	-	-	-	-	(382)	(382)	9,048	10,024	10,656
Community and social services		2,182	-	-	-	-	-	(40)	(40)	2,142	2,323	2,473
Sport and recreation		4,284	-	-	-	-	-	(47)	(47)	4,236	4,566	4,867
Public safety		1,910	-	-	-	-	-	(93)	(93)	1,818	2,024	2,145
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		1,054	-	-	-	-	-	(202)	(202)	852	1,111	1,171
<i>Economic and environmental services</i>		31,324	-	-	-	-	-	68	68	31,392	31,740	33,496
Planning and development		15,765	-	-	-	-	-	(510)	(510)	15,255	15,442	16,414
Road transport		15,559	-	-	-	-	-	578	578	16,137	16,299	17,082
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		71,734	-	-	-	-	-	(2,065)	(2,065)	69,669	75,969	80,547
Electricity		47,074	-	-	-	-	-	(915)	(915)	46,159	50,631	54,468
Water		7,423	-	-	-	-	-	(480)	(480)	6,943	7,229	7,032
Waste water management		7,011	-	-	-	-	-	(460)	(460)	6,551	7,395	7,804
Waste management		10,226	-	-	-	-	-	(210)	(210)	10,016	10,714	11,243
<i>Other</i>		1,020	-	-	-	-	-	(26)	(26)	994	1,087	1,158
Total Expenditure - Standard	3	233,323	-	-	-	-	-	(3,508)	(3,508)	229,816	242,918	254,701
Surplus/ (Deficit) for the year		(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)

MP314 Emakhazeni - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>(Insert departmental structure etc)</i>	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - EXECUTIVE AND COUNCIL		62,331	-	-	-	-	-	-	-	62,331	69,264	73,288
Vote 2 - FINANCE AND ADMIN		63,009	-	-	-	-	-	42	42	63,052	66,619	70,607
Vote 3 - PLANNING AND DEVELOPMENT		1,601	-	-	-	-	-	-	-	1,601	380	395
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		68	-	-	-	-	-	19	19	87	72	76
Vote 6 - PUBLIC SAFETY		5	-	-	-	-	-	(5)	(5)	-	5	5
Vote 7 - SPORTS AND RECREATION		96	-	-	-	-	-	(49)	(49)	47	102	108
Vote 8 - WASTE MANAGEMENT		8,487	-	-	-	-	-	-	-	8,487	8,996	9,536
Vote 9 - WASTE WATER MANAGEMENT		8,304	-	-	-	-	-	(14)	(14)	8,289	8,802	9,330
Vote 10 - ROAD TRANSPORT		7,818	-	-	-	-	-	(555)	(555)	7,263	7,975	8,136
Vote 11 - WATER		12,380	-	-	-	-	-	(906)	(906)	11,475	13,123	13,910
Vote 12 - ELECTRICITY		44,900	-	-	-	-	-	(5,261)	(5,261)	39,639	53,209	56,764
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - -		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	208,998	-	-	-	-	-	(6,728)	(6,728)	202,271	228,547	242,155
Expenditure by Vote	1											
Vote 1 - EXECUTIVE AND COUNCIL		35,457	-	-	-	-	-	294	294	35,751	37,290	39,317
Vote 2 - FINANCE AND ADMIN		84,358	-	-	-	-	-	(1,397)	(1,397)	82,962	86,808	89,526
Vote 3 - PLANNING AND DEVELOPMENT		15,765	-	-	-	-	-	(510)	(510)	15,255	15,442	16,414
Vote 4 - HEALTH		1,054	-	-	-	-	-	(202)	(202)	852	1,111	1,171
Vote 5 - COMMUNITY AND SOCIAL SERVICES		2,182	-	-	-	-	-	(40)	(40)	2,142	2,323	2,473
Vote 6 - PUBLIC SAFETY		1,910	-	-	-	-	-	(93)	(93)	1,818	2,024	2,145
Vote 7 - SPORTS AND RECREATION		4,284	-	-	-	-	-	(47)	(47)	4,236	4,566	4,867
Vote 8 - WASTE MANAGEMENT		10,226	-	-	-	-	-	(210)	(210)	10,016	10,714	11,243
Vote 9 - WASTE WATER MANAGEMENT		7,011	-	-	-	-	-	(460)	(460)	6,551	7,395	7,804
Vote 10 - ROAD TRANSPORT		15,559	-	-	-	-	-	578	578	16,137	16,299	17,082
Vote 11 - WATER		7,423	-	-	-	-	-	(480)	(480)	6,943	7,229	7,032
Vote 12 - ELECTRICITY		47,074	-	-	-	-	-	(915)	(915)	46,159	50,631	54,468
Vote 13 - OTHER		1,020	-	-	-	-	-	(26)	(26)	994	1,087	1,158
Vote 14 - -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - -		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	233,323	-	-	-	-	-	(3,508)	(3,508)	229,816	242,918	254,701
Surplus/ (Deficit) for the year	2	(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)

MP314 Emakhazeni - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	62,157	-	-	-	-	-	-	-	62,157	65,886	69,840
Property rates - penalties & collection charges		-						-	-	-	-	-
Service charges - electricity revenue	2	44,342	-	-	-	-	-	(5,000)	(5,000)	39,342	47,619	51,138
Service charges - water revenue	2	12,352	-	-	-	-	-	(900)	(900)	11,452	13,094	13,879
Service charges - sanitation revenue	2	8,273	-	-	-	-	-	-	-	8,273	8,770	9,296
Service charges - refuse revenue	2	8,487	-	-	-	-	-	-	-	8,487	8,996	9,536
Service charges - other		-						-	-	-	-	-
Rental of facilities and equipment		444						(25)	(25)	418	470	499
Interest earned - external investments		216						48	48	264	221	225
Interest earned - outstanding debtors		-						-	-	-	-	-
Dividends received		-						-	-	-	-	-
Fines		5,401						(151)	(151)	5,250	5,509	5,620
Licences and permits		33						(26)	(26)	7	34	37
Agency services		2,384						(374)	(374)	2,010	2,432	2,480
Transfers recognised - operating		46,402						-	-	46,402	51,286	54,684
Other revenue	2	1,070	-	-	-	-	-	(299)	(299)	771	1,134	1,201
Gains on disposal of PPE		204						-	-	204	208	212
Total Revenue (excluding capital transfers and contributions)		191,766	-	-	-	-	-	(6,728)	(6,728)	185,039	205,659	218,646
Expenditure By Type												
Employee related costs		78,916	-	-	-	-	-	-	-	78,916	83,999	89,582
Remuneration of councillors		5,109						-	-	5,109	5,415	5,740
Debt impairment		9,190						-	-	9,190	9,742	10,326
Depreciation & asset impairment		50,980	-	-	-	-	-	-	-	50,980	51,999	53,039
Finance charges		1,537						400	400	1,937	1,629	1,727
Bulk purchases		40,770	-	-	-	-	-	-	-	40,770	44,056	47,607
Other materials		10,286						(4,150)	(4,150)	6,135	8,442	8,601
Contracted services		3,474	-	-	-	-	-	700	700	4,174	3,543	3,614
Transfers and grants		-						-	-	-	-	-
Other expenditure		33,063	-	-	-	-	-	(458)	(458)	32,605	34,093	34,464
Loss on disposal of PPE		-						-	-	-	-	-
Total Expenditure		233,323	-	-	-	-	-	(3,508)	(3,508)	229,816	242,918	254,701
Surplus/(Deficit)		(41,557)	-	-	-	-	-	(3,220)	(3,220)	(44,777)	(37,259)	(36,054)
Transfers recognised - capital		17,232						-	-	17,232	22,888	23,509
Contributions		-						-	-	-	-	-
Contributed assets		-						-	-	-	-	-
Surplus/(Deficit) before taxation		(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)
Taxation		-						-	-	-	-	-
Surplus/(Deficit) after taxation		(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)
Attributable to minorities		-						-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)
Share of surplus/ (deficit) of associate		-						-	-	-	-	-
Surplus/ (Deficit) for the year		(24,325)	-	-	-	-	-	(3,220)	(3,220)	(27,545)	(14,371)	(12,545)

MP314 Emakhazeni - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE AND ADMIN		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - HEALTH		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - SPORTS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - ROAD TRANSPORT		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - WATER		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - OTHER		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - -		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - EXECUTIVE AND COUNCIL		16,386	-	-	-	-	-	-	-	16,386	17,011	17,602
Vote 2 - FINANCE AND ADMIN		251	-	-	-	-	-	(156)	(156)	95	266	282
Vote 3 - PLANNING AND DEVELOPMENT		23	-	-	-	-	-	(18)	(18)	5	24	26
Vote 4 - HEALTH		25	-	-	-	-	-	-	-	25	27	28
Vote 5 - COMMUNITY AND SOCIAL SERVICES		10	-	-	-	-	-	(10)	(10)	-	11	11
Vote 6 - PUBLIC SAFETY		42	-	-	-	-	-	(12)	(12)	30	45	47
Vote 7 - SPORTS AND RECREATION		20	-	-	-	-	-	100	100	120	21	22
Vote 8 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	200	200	200	-	-
Vote 10 - ROAD TRANSPORT		10	-	-	-	-	-	0	0	10	11	11
Vote 11 - WATER		100	-	-	-	-	-	(100)	(100)	-	106	112
Vote 12 - ELECTRICITY		400	-	-	-	-	-	(400)	(400)	-	5,424	5,449
Vote 13 - OTHER		-	-	-	-	-	-	200	200	200	-	-
Vote 14 - -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - -		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
Total Capital Expenditure - Vote		17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
Capital Expenditure - Standard												
Governance and administration		16,637	-	-	-	-	-	(156)	(156)	16,481	17,277	17,884
Executive and council		16,386	-	-	-	-	-	-	-	16,386	17,011	17,602
Budget and treasury office		30	-	-	-	-	-	-	-	30	32	34
Corporate services		221	-	-	-	-	-	(156)	(156)	65	234	248
Community and public safety		97	-	-	-	-	-	78	78	175	103	109
Community and social services		10	-	-	-	-	-	(10)	(10)	-	11	11
Sport and recreation		20	-	-	-	-	-	100	100	120	21	22
Public safety		42	-	-	-	-	-	(12)	(12)	30	45	47
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		25	-	-	-	-	-	-	-	25	27	28
Economic and environmental services		33	-	-	-	-	-	(18)	(18)	15	35	37
Planning and development		23	-	-	-	-	-	(18)	(18)	5	24	26
Road transport		10	-	-	-	-	-	0	0	10	11	11
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		500	-	-	-	-	-	(300)	(300)	200	5,530	5,562
Electricity		400	-	-	-	-	-	(400)	(400)	-	5,424	5,449
Water		100	-	-	-	-	-	(100)	(100)	-	106	112
Waste water management		-	-	-	-	-	-	200	200	200	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	200	200	200	-	-
Total Capital Expenditure - Standard	3	17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
Funded by:												
National Government		16,370	-	-	-	-	-	-	-	16,370	21,994	22,584
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total Capital transfers recognised	4	16,370	-	-	-	-	-	-	-	16,370	21,994	22,584
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		897	-	-	-	-	-	(196)	(196)	701	951	1,008
Total Capital Funding		17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591

MP314 Emakhazeni - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands		A		B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		150						-	-	150	75	200
Call investment deposits	1	1,500	-	-	-	-	-	-	-	1,500	1,575	1,654
Consumer debtors	1	56,508	-	-	-	-	-	-	-	56,508	69,253	62,479
Other debtors		2,013						-	-	2,013	2,100	1,987
Current portion of long-term receivables		-						-	-	-	-	-
Inventory		1,135						-	-	1,135	982	703
Total current assets		61,306	-	-	-	-	-	-	-	61,306	73,985	67,022
Non current assets												
Long-term receivables		-						-	-	-	-	-
Investments		-						-	-	-	-	-
Investment property		34,321						-	-	34,321	34,071	33,821
Investment in Associate		-						-	-	-	-	-
Property, plant and equipment	1	479,531	-	-	-	-	-	-	-	479,531	501,704	528,099
Agricultural		-						-	-	-	-	-
Biological		-						-	-	-	-	-
Intangible		488						-	-	488	267	212
Other non-current assets		-						-	-	-	-	-
Total non current assets		514,340	-	-	-	-	-	-	-	514,340	536,042	562,132
TOTAL ASSETS		575,646	-	-	-	-	-	-	-	575,646	610,027	629,154
LIABILITIES												
Current liabilities												
Bank overdraft		-						-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		1,554						-	-	1,554	1,612	1,600
Trade and other payables		35,000	-	-	-	-	-	-	-	35,000	32,000	29,500
Provisions		-						-	-	-	-	-
Total current liabilities		36,554	-	-	-	-	-	-	-	36,554	33,612	31,100
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	45,094	-	-	-	-	-	-	-	45,094	47,701	67,635
Total non current liabilities		45,094	-	-	-	-	-	-	-	45,094	47,701	67,635
TOTAL LIABILITIES		81,648	-	-	-	-	-	-	-	81,648	81,313	98,735
NET ASSETS	2	493,998	-	-	-	-	-	-	-	493,998	528,714	530,419
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		518,323	-	-	-	-	-	-	-	518,323	543,085	542,965
Reserves		(24,325)	-	-	-	-	-	-	-	(24,325)	(14,371)	(12,545)
TOTAL COMMUNITY WEALTH/EQUITY		493,998	-	-	-	-	-	-	-	493,998	528,714	530,419

MP314 Emakhazeni - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		144,944						(6,775)	(6,775)	138,168	154,839	164,450
Government - operating	1	46,402						-	-	46,402	51,286	54,684
Government - capital	1	17,232						-	-	17,232	21,994	22,584
Interest		216						48	48	264	221	225
Dividends		-						-	-	-	-	-
Payments												
Suppliers and employees		(171,617)						3,908	3,908	(167,709)	(179,548)	(189,608)
Finance charges		(1,537)						(400)	(400)	(1,937)	(1,629)	(1,727)
Transfers and Grants	1	-						-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		35,641	-	-	-	-	-	(3,220)	(3,220)	32,421	47,162	50,608
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		204						-	-	204	208	212
Decrease (Increase) in non-current debtors		-						-	-	-	-	-
Decrease (Increase) other non-current receivables		-						-	-	-	-	-
Decrease (Increase) in non-current investments		-						-	-	-	-	-
Payments												
Capital assets		(17,267)						-	-	(17,267)	(22,944)	(23,591)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(17,063)	-	-	-	-	-	-	-	(17,063)	(22,736)	(23,379)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-						-	-	-	-	-
Borrowing long term/refinancing		-						-	-	-	-	-
Increase (decrease) in consumer deposits		(62)						-	-	(62)	58	(12)
Payments												
Repayment of borrowing		-						-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(62)	-	-	-	-	-	-	-	(62)	58	(12)
NET INCREASE/ (DECREASE) IN CASH HELD		18,515	-	-	-	-	-	(3,220)	(3,220)	15,295	24,484	27,217
Cash/cash equivalents at the year begin:	2	(39,879)						-	-	(39,879)	(24,584)	(100)
Cash/cash equivalents at the year end:	2	(21,364)	-	-	-	-	-	(3,220)	-	(24,584)	(100)	27,116

MP314 Emakhazeni - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1	(21,364)	-	-	-	-	-	(3,220)	(3,220)	(24,584)	(100)	27,116
Other current investments > 90 days		23,014	-	-	-	-	-	3,220	3,220	26,234	1,750	(25,262)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		1,650	-	-	-	-	-	-	-	1,650	1,650	1,854
<u>Applications of cash and investments</u>												
Unspent conditional transfers		1,000	-	-	-	-	-	-	-	1,000	500	500
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		2,729	-	-	-	-	-	-	-	2,729	(1,000)	1,000
Other working capital requirements	2	19,000	-	-	-	-	-	(61,218)	(61,218)	(42,218)	(51,289)	(49,466)
Other provisions		(21,000)	-	-	-	-	-	-	-	(21,000)	(19,000)	(17,500)
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		1,729	-	-	-	-	-	(61,218)	(61,218)	(59,489)	(70,789)	(65,466)
Surplus(shortfall)		(79)	-	-	-	-	-	61,218	61,218	61,139	72,439	67,320

MP314 Emakhazeni - Table B9 Asset Management -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		400	-	-	-	-	-	-	-	400	5,424	5,449
Infrastructure - Water		8,212	-	-	-	-	-	-	-	8,212	8,527	8,825
Infrastructure - Sanitation		3,258	-	-	-	-	-	-	-	3,258	3,383	3,501
Infrastructure - Other		5,000	-	-	-	-	-	-	-	5,000	5,190	5,370
Infrastructure		16,870	-	-	-	-	-	-	-	16,870	22,524	23,145
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	372	-	-	-	-	-	(171)	(171)	201	394	418
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		25	-	-	-	-	-	(25)	(25)	-	27	28
Total Renewal of Existing Assets to be adjusted	2	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		400	-	-	-	-	-	-	-	400	5,424	5,449
Infrastructure - Water		8,212	-	-	-	-	-	-	-	8,212	8,527	8,825
Infrastructure - Sanitation		3,258	-	-	-	-	-	-	-	3,258	3,383	3,501
Infrastructure - Other		5,000	-	-	-	-	-	-	-	5,000	5,190	5,370
Infrastructure		16,870	-	-	-	-	-	-	-	16,870	22,524	23,145
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	372	-	-	-	-	-	(171)	(171)	201	394	418
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		25	-	-	-	-	-	(25)	(25)	-	27	28
TOTAL CAPITAL EXPENDITURE to be adjusted	2	17,267	-	-	-	-	-	(196)	(196)	17,072	22,944	23,591
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		125,994							-	125,994	129,308	129,502
Infrastructure - Electricity		33,317							-	33,317	42,194	46,714
Infrastructure - Water		103,732							-	103,732	109,855	120,444
Infrastructure - Sanitation		68,666							-	68,666	72,079	79,020
Infrastructure - Other		93,316							-	93,316	93,423	96,292
Infrastructure		425,024	-	-	-	-	-	-	-	425,024	446,858	471,972
Community		36,705							-	36,705	36,673	36,640
Heritage assets		-							-	-	-	-
Investment properties		34,321							-	34,321	34,071	33,821
Other assets		17,802							-	17,802	18,173	19,487
Intangibles		488							-	488	267	212
Agricultural Assets		-							-	-	-	-
Biological assets		-							-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	514,340	-	-	-	-	-	-	-	514,340	536,042	562,132
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		50,980	-	-	-	-	-	-	-	50,980	51,999	53,039
<u>Repairs and Maintenance by asset class</u>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		50,980	-	-	-	-	-	-	-	50,980	51,999	53,039
% of capital exp on renewal of assets		0.0%	0.0%							0.0%	0.0%	0.0%
Renewal of existing assets as % of deprecn		0.0%	0.0%							0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%							0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		0.0%	0.0%							0.0%	0.0%	0.0%

MP314 Emakhazeni - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets (000)	1											
Water:												
Piped water inside dwelling		-							-	-	0	0
Piped water inside yard (but not in dwelling)		4,496,458							-	4,496	8000306	4967200
Using public tap (at least min.service level)	2								-	-		
Other water supply (at least min.service level)		3,000,000							-	3,000	2,026	2,000
Minimum Service Level and Above sub-total		7,496	-	-	-	-	-	-	-	7,496	10,027	6,967
Using public tap (< min.service level)	3	3,000,000							-	3,000	0	0
Other water supply (< min.service level)	3,4								-	-		
No water supply									-	-	2026400	2000000
Below Minimum Service Level sub-total		3,000	-	-	-	-	-	-	-	3,000	2,026	2,000
Total number of households	5	10,496	-	-	-	-	-	-	-	10,496	12,053	8,967
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		3,257,917							-	3,257,917	3,167,200	3,967,200
Flush toilet (with septic tank)		-							-	-	-	-
Chemical toilet									-	-		
Pit toilet (ventilated)									-	-		
Other toilet provisions (> min.service level)									-	-		
Minimum Service Level and Above sub-total		3,257,917	-	-	-	-	-	-	-	3,257,917	3,167,200	3,967,200
Bucket toilet									-	-		
Other toilet provisions (< min.service level)									-	-		
No toilet provisions		3,257,917							-	3,257,917	3,167,200	3,967,200
Below Minimum Service Level sub-total		3,257,917	-	-	-	-	-	-	-	3,257,917	3,167,200	3,967,200
Total number of households	5	6,515,834	-	-	-	-	-	-	-	6,515,834	6,334,400	7,934,400
Energy:												
Electricity (at least min. service level)									-	-		
Electricity - prepaid (> min.service level)		-							-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Refuse:												
Removed at least once a week (min.service)		12							-	11,960	11,960	11,960
Minimum Service Level and Above sub-total		11,960	-	-	-	-	-	-	-	11,960	11,960	11,960
Removed less frequently than once a week									-	-		
Using communal refuse dump									-	-		
Using own refuse dump		3							-	2,618	2,618	2,618
Other rubbish disposal									-	-		
No rubbish disposal									-	-		
Below Minimum Service Level sub-total		2,618	-	-	-	-	-	-	-	2,618	2,618	2,618
Total number of households	5	14,578	-	-	-	-	-	-	-	14,578	14,578	14,578
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		14,578							-	14,578	14,578	14,578
Sanitation (free minimum level service)		1,200							-	1,200	1,208	1,250
Electricity/other energy (50kwh per household per month)		1,200							-	1,200	1,208	1,250
Refuse (removed at least once a week)		1,200							-	1,200	1,208	1,250
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		1,979							-	1,979	2,083	2,194
Sanitation (free sanitation service)		357							-	357	364	371
Electricity/other energy (50kwh per household per month)		20							-	20	21	21
Refuse (removed once a week)		520							-	520	531	541
Total cost of FBS provided (minimum social package)		2,876	-	-	-	-	-	-	-	2,876	2,999	3,128
Highest level of free service provided												
Property rates (R'000 value threshold)		200							-	200	250	280
Water (kilolitres per household per month)		6							-	6	6	6
Sanitation (kilolitres per household per month)		6							-	6	6	6
Sanitation (Rand per household per month)		86							-	86		
Electricity (kw per household per month)		50							-	50	50	50
Refuse (average litres per week)		81							-	81		
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		436							-	436	436	436
Property rates (other exemptions, reductions and rebates)		3,319							-	3,319	3,319	3,319
Water		1,530							-	1,530	1,607	1,687
Sanitation		366							-	366	366	366
Electricity/other energy		2,464							-	2,464	2,464	2,464
Refuse		577							-	577	577	577
Municipal Housing - rental rebates									-	-		
Housing - top structure subsidies									-	-		
Other									-	-		
Total revenue cost of free services provided (total social p	6	8,692	-	-	-	-	-	-	-	8,692	8,769	8,849

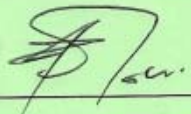
QUALITY CERTIFICATION OF THE MUNICIPAL MANAGER

Dear Sir/Madam

I Mrs. Elizabeth Kotishana Tshabalala, the Acting Municipal Manager of Emakhazeni Local Municipality, hereby certify that the Adjustment Budget and supporting documents have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget and the supporting documents are consistent with the Integrated Development Plan (IDP) of the Municipality.

Name : **MRS. E.K TSHABALALA**
ACTING MUNICIPAL MANAGER

Municipal Code : MP314

Signature : 

Date : 10-02-2015

Certification that the adopted budget for 2014/2015 is correctly captured and locked on the municipality's financial management system

(as requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 6.3 of MFMA Budget Circular 59 dated 16 March 2012)

I, **Elizabeth Kotishana Tshabalala**, in my capacity as acting accounting officer of the municipality, hereby certify that:

- The adopted annual budget has been captured on the municipality's financial system;
- There is 100 per cent reconciliation between the budget on the system and the budget adopted by council;
- The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and
- The relevant budget return forms have been submitted to the local government database.

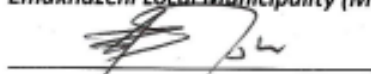
I, further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
- an adjustments budget approved by council.

Print Name **Elizabeth Kotishana Tshabalala**

Acting Municipal manager of **Emakhazeni Local Municipality (MP314)**

Signature



Date

10 February 2015

This certificate must be submitted to National Treasury by close of business 28 February 2015 at the following email address: lgdocuments@treasury.gov.za.

Also send copies to the *Auditor General* and the relevant provincial treasury